

Statement

Insurance Association of Connecticut

Labor and Public Employees Committee

January 30, 2007

SB 151, SB 152, SB 153, SB 171, SB 172, SB 399, SB 400, SB 403,
SB 845, SB 847, SB 1036, SB 1037, HB 5697 and HB 6956

SB 151, An Act Concerning Workers' Compensation Appeals

The Insurance Association of Connecticut opposes SB 151. We know of no need or problem which should necessitate changing the current time limitations for filing an appeal under C.G.S. 31-301.

SB 152, An Act Concerning Accidental Failure Of Workers' Compensation Claims

The Insurance Association of Connecticut opposes SB 152, as it is unnecessary and unfair and will only serve to facilitate fraud in the Workers' Compensation System. By adulterating current notice requirements, SB 152 will place unfair burdens on employers and compromise their ability to exercise their legal rights and their ability to gather information regarding the claim in a timely manner. The current Workers' Compensation notice of claim statute (file a claim within one year of date of accident or three years from manifestation of occupational disease) establishes clear and reasonable

standards for notice. Current law already gives commissioners discretionary authority to permit extensions. No change is needed or warranted.

SB 153, An Act Concerning Scarring Awards Under The Workers' Compensation Act

The Insurance Association of Connecticut opposes SB 153, which would remove the current two-year limitation period for a scarring award. The two year requirement was established as part of the 1993 Reform Act in order to bring consistency and fairness to the awarding of such benefits. Removal of the limitation would only invite overuse and abuse of the scarring benefit provision.

IAC would also oppose any other changes to the scarring benefits which would reverse the 1993 Reform Act.

SB 171, An Act Allowing For An Additional Workers' Compensation Award For An Employer's Or Insurer's Undue Delay Or Unreasonable Contest Of Liability

The Insurance Association of Connecticut opposes SB 171, which would in effect require respondents to pay attorney's fees twice, in addition to the interest penalties for undue delay which also will be paid. Such a result would be nonsensical, unnecessary and unfair.

SB 172, An Act Requiring Workers' Compensation Respondents
To Request Hearings To Assure That Claimants Are Receiving Benefits

The Insurance Association of Connecticut opposes SB 172, as there is no apparent need for such informal hearing requirements. At a time when the Workers' Compensation Commission is overburdened by the number of hearings held each year, SB 172 would only serve to unnecessarily increase the number of hearing requests and expand the administrative backlog.

SB 399, An Act Concerning Delays By Insurers In Paying Workers'
Compensation Claims
SB 1037, An Act Concerning Unreasonable Delays of Workers' Compensation
Hearings

The Insurance Association of Connecticut opposes SB 399 and SB 1037. A ten-fold increase in potential civil penalties for undue delay in the payment or adjustment of compensation, or for undue delay in the completion of a hearing is totally unwarranted and unfair. Current civil penalty provisions, plus potential interest penalties under C.G.S. 31-300, are sufficient.

SB 400, An Act Concerning Dependents Of Deceased Workers' Compensation Claimants

The Insurance Association of Connecticut opposes SB 400. Current law permits the dependents of an injured employee who dies from the effects of a work-related injury to pursue workers' compensation benefits in

place of the deceased. If an injured employee dies, after an award has been granted, from an injury or illness unrelated to the compensable injury, the remaining permanency benefits are paid to his or her estate. If a claimant dies from an unrelated injury prior to an award or settlement having been approved, no compensation is paid. That is entirely proper, since there is no future medical exposure or loss time due to the claimant's death.

SB 403, An Act Concerning Time Limits For Disposition Of Workers' Compensation Claims

The Insurance Association of Connecticut opposes SB 403. One size does not fit all regarding the time frames necessary to adjudicate a Workers' Compensation claim. There are any number of reasons why one claim could necessarily take more time to completely settle/adjudicate than another. Current statutes require a commissioner to issue the findings and award within 120 days of the completion of hearings on the claim. That is the proper standard for ensuring timely completion of the matter.

SB 845, An Act Concerning Light Duty Work Under The Workers' Compensation Act

The Insurance Association of Connecticut opposes SB 845. Current law properly protects injured employees by ensuring that the employee is transferred to light duty work that is suitable to his or her physical condition.

SB 845 would require the work to be at the same time and place as the prior employment, which may not recognize the employer's legitimate limitations on the availability of light duty work, and would unnecessarily prevent the employee from engaging in such work. The commissioner has sufficient authority to ensure the injured employee is being treated fairly in the provision of light duty work. SB 845 is unnecessary and would be counterproductive.

SB 847, An Act Concerning Additional Benefits For Wage Loss Under The Workers' Compensation Act

The Insurance Association of Connecticut opposes SB 847.

Connecticut currently provides injured employees with one of the most extensive sets of workers' compensation benefits in the country. Included in those existing benefits is the unique authority for commissioners in this state to award additional discretionary benefits under C.G.S. 31-308a.

By removing the "lesser of" standard for awarding discretionary benefits, SB 847 will greatly, and unnecessarily, expand the potential benefits for claimants. It is entirely logical that such benefits should be limited to the duration of the employee's permanent partial disability benefits, instead of a universal 520 week cap as contemplated by SB 847.

SB 847 is directly contrary to the successful legislative reforms of 1993 and will add appreciable and counterproductive costs to the workers' compensation system. In fact, the Office of Fiscal Analysis reported just last

year that similar legislation "would result in significant additional costs to the state and municipalities".

IAC urges rejection of SB 847.

SB 1036, An Act Concerning Notification To Injured Employees Of The Discontinuation Or Reduction Of Workers' Compensation Benefits

The Insurance Association of Connecticut opposes SB 1036. The amendments to the notice requirements appear to be unnecessary. We object to the provision extending the time frame within which the employee may request a hearing by ten additional days. Such an extension is unwarranted and will result in the employee getting another ten days of benefits for which he is otherwise no longer eligible.

HB 5697, An Act Concerning Medical Treatment Decisions Of Workers' Compensation Commissioners

The Insurance Association of Connecticut opposes HB 5697, as it would violate the rights of the parties to a workers' compensation claim. Informal hearings produce recommendations from a commissioner which are not, nor should they be, binding on the parties. That is not the function of an informal hearing. HB 5697 would deny the parties the opportunity to present their evidence in the proper context of a formal hearing, before any such decision concerning medical treatment can be binding.

HB 6956, An Act Concerning Workers' Compensation Coverage For
Firefighters And Police Officers

The Insurance Association of Connecticut opposes HB 5956, which in section 1 would provide that any police officer or firefighter who contracts hepatitis, tuberculosis or meningitis would be presumed to have contracted the disease in the course of employment.

For the Workers' Compensation system to work properly, a causal link must be established, by the claimant/employee, between the employee's work and the injury or illness that afflicts the employee. IAC knows of no basis for HB 6956, nor why that standard burden should be reduced, and reversed, for emergency rescue and public safety workers. By definition, these diseases are communicable and can be contracted by various means that have nothing specific to do with employment. How would the claimant know if he or she was or was not exposed to the disease outside of employment?

In fact, a recent CDC study (July 28, 2000) found that "first responders (firefighters, EMTs and paramedics) are not at greater risk than the general population for HCV (hepatitis C virus) infection"

Similarly, section 2 would recreate a heart and hypertension presumption for police officers and firefighters. Once again, for the system to work, a causal link to work must be established by the employee. Presumptions, no matter how well-intended, subvert the need to establish

such a causal link and expose the system to potential misuse and abuse. Past history with a heart disease/hypertension presumption in the state exhibits that fact clearly.

IAC also objects to section 3, which would create a presumption for firefighters who contract cancer, for the same reasons as above. IAC urges rejection of HB 6956.